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**IOWA UTILITIES BOARD**  
**Energy Section**

Docket No.: TF-2013-0041  
Utility: MidAmerican Energy Company  
File Date/Due Date: 3/1/2013 – 3/31/2013  
Objection Deadline: March 21, 2013  
Effective Date: April 2, 2013  
Memo Date: March 22, 2013

**TO:** The Board

**FROM:** Jim Kellenberg

**SUBJECT:** Revenue Adjustment Clause Reconciliation for Docket No. RPU-2012-0001

**I. Background/Analysis**

On March 1, 2013, MidAmerican Energy Company (MidAmerican) filed its annual reconciliation of revenue adjustment clause (RAC) factors as agreed in a settlement between MidAmerican and Parties to RPU-2012-0001. MidAmerican filed supplemental workpapers on March 14, 2013.

The Utilities Board (Board) approved the settlement between MidAmerican and other Parties to the case on October 8, 2012. Among the issues settled, the Parties had agreed that the revenue increases should be recovered through a single adjustment clause to enable MidAmerican to recover fixed amounts of \$38,700,000 in 2012 and \$76,000,000 during calendar year 2013. The 2012 and 2013 RAC factors were provided in Appendix B of the settlement agreement. The purpose of the RAC reconciliation is to true-up the 2012 recoveries to the agreed-upon amount of \$38,700,000.

The reconciliation filing shows that MidAmerican's total actual 2012 recovery was \$39,973,894, for an over-collection of \$1,273,894. The reconciliation filing includes revenue from the revenue adjustment clause as well as revenue from the environmental cost adjustment clause and fuel adjustment clause which were implemented with interim rates on March 2, 2012. The tariff for the single adjustment clause, the revenue adjustment clause, became effective on November 9, 2012.

MidAmerican's filing included one original and two revised tariff sheets, an exhibit, and several workpapers to support its calculation of the reconciliation factors. The tariff sheets were revised to show the addition of the reconciliation factors for the RAC. Additional revisions were made to eliminate 2012 RAC factors that are no longer applicable and to revise formatting of the factor presentation. The 2013 RAC factors were already included on the currently effective tariff sheets.

MidAmerican has calculated the following reconciliation factors beginning with bills rendered on and after April 2, 2013 and continuing through December 31, 2013. The reconciliation factors will be applied to kWh sales in addition to the 2013 RAC factors. MidAmerican arrived at the reconciliation factors by dividing the over-collection amount for each customer class by the forecasted kWh sales remaining in April to December 2013 for each customer class. The reconciliation factors shall continue after the implementation of interim rates associated with a general rate case proceeding.

Residential	Commercial/ Small General Service	Industrial/ Large General Service I	Industrial/ Large General Service II	Lighting
\$(0.00010)/kWh	\$(0.00013)/kWh	\$(0.00004)/kWh	\$(0.00006)/kWh	\$(0.00009)/kWh

MidAmerican is requesting an effective date of April 2, 2013, for the tariff sheets.

Staff has completed its review and recommends approval of TF-2013-0041 with an effective date of April 2, 2013. No objections were filed.

## **II. Recommendation**

Notify MidAmerican Energy Company by letter signed by the Energy Section manager, that TF-2013-0041 is approved to become effective April 2, 2013, subject to complaint or investigation.

/jlk